

Before the
Federal Communications Commission
Washington, D.C. 20554

FCC MAIL SECTION

Aug 3 9 50 AM '00

In the Matter of)	
)	
Access Charge Reform)	CC Docket No. 96-262
)	
Price Cap Performance Review for Local Exchange Carriers)	CC Docket No. 94-1 ✓
)	
Federal-State Joint Board On Universal Service)	CC Docket No. 96-45
)	

ORDER**Adopted:** July 27, 2000**Released:** July 28, 2000

By the Deputy Chief, Common Carrier Bureau:

I. INTRODUCTION

1. On May 31, 2000, the Commission issued an order adopting, with minor modifications, an integrated and cohesive interstate access reform and universal service reform proposal that had been submitted by members of the Coalition for Affordable Local and Long Distance Service (CALLS), a coalition consisting of four of the five largest local exchange carriers (LECs) and two of the three largest long distance companies.¹ Among many other things, the *CALLS Order* requires LECs that are subject to price cap regulation to make an election, by July 31, 2000, whether to have their rate levels for interstate access services determined in accordance with the specific terms of the CALLS proposal (as approved by the Commission), or to have such charges set according to a cost-study proceeding that the Commission subsequently would conduct for carriers that opt out of the CALLS proposal.²

¹ See Access Charge Reform, CC Docket No. 96-262, Sixth Report and Order, Price Cap Performance Review for Local Exchange Carriers, CC Docket No. 94-1, Sixth Report and Order, Low-Volume Long-Distance Users, CC Docket No. 99-249, Order, and Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Eleventh Report and Order, FCC No. 00-193 (rel. May 31, 2000), as corrected by *Errata* (rel. June 14, 2000), *petition for review pending sub nom. Texas Office of Public Utilities Counsel et al. v. FCC*, No. 00-60434 (and consolidated cases) (5th Cir. filed June 26, 2000) (*CALLS Order*). CALLS consists of AT&T Corporation, Bell Atlantic Telephone Companies, BellSouth Corporation, GTE Service Corporation, SBC Communications Inc., and Sprint Corporation.

² *CALLS Order*, paras. 57-62.

2. On July 25, 2000, Citizens Communications Company (Citizens) filed a motion requesting that the Commission extend the July 31, 2000 election deadline for 60 days.³

3. For the reasons we discuss below, we grant Citizens a 45-day extension of the election deadline. In brief, Citizens has demonstrated good cause in support of its request for additional time to complete its research, data development and analysis to enable it to determine whether to opt out of CALLS. We also find good cause for granting this short extension of time to the election deadline to all price cap LECs.

II. DISCUSSION

4. Citizens requests a 60-day extension of the CALLS election deadline in order “to evaluate, consider and decide whether to continue under the CALLS plan or fall under the alternative price cap regulatory plan.”⁴ In support of its request, Citizens contends that the 60-day time period in the *CALLS Order* to accept or reject certain provisions of the CALLS plan is insufficient to enable it to complete the many tasks and analyses necessary to completely evaluate the CALLS election decision. It claims that the 60-day period is not enough time (1) to process, file and implement the 2000 Annual Price Cap filing that implemented the mandatory aspects of the CALLS plan; (2) to respond to the Commission and others with questions and concerns on the annual filing; (3) to evaluate the results of the annual filing; (4) to conduct the analysis and make decisions pertaining to the opt-in, opt-out requirements for existing properties; and (5) to conduct the research, data development, and evaluations pertaining to opt-in, opt-out for newly acquired properties.⁵ Consequently, it seeks an additional 60 days in order to completely evaluate its CALLS election decision.

5. Citizens also states that it is in the process of acquiring exchanges from Qwest and Verizon and that the majority of these acquisitions have not closed. As a result, it needs 60 additional days “to gather the appropriate cost data and incorporate the cost characteristics of the acquired properties into Citizens’ existing cost structure, an indispensable step in making a decision whether to accept or reject the application of CALLS.”⁶

6. We find that Citizens has shown good cause to extend the election deadline. Extending the deadline for a short period does not prejudice any party or jeopardize our ability to complete in a timely manner any cost-study and price cap proceedings that may be necessary as a result of price cap LEC election decisions. Moreover, because the extension is for a short duration, it will not lead to uncertainty or threaten the industry consensus reflected in the CALLS proposal or imperil the public interest benefits that we sought to achieve in the *CALLS Order*.

³ Citizens Communications Company Request for Extension of Time, CC Docket Nos. 96-262, 94-1, 99-249, and 96-45, filed July 25, 2000 (Citizens Request).

⁴ Citizens Request at 1.

⁵ Citizens Request at 1-2.

⁶ Citizens Request at 2.

7. We note that all price cap LECs were required to file their annual access tariffs approximately two weeks following the adoption and release of the *CALLS Order*.⁷ As a result, price cap LECs had a short period of time to evaluate their CALLS-modified tariffs to assess whether to opt-out of CALLS. All of these tariff filings were suspended for a day by the Competitive Pricing Division of the Common Carrier Bureau on June 30, 2000 and made subject to investigation.⁸ As a result of these tariff investigations, the price cap LECs are revising their annual access tariffs.⁹ Because of this, we believe that, like Citizens, many price cap LECs may have been unable to complete their research and evaluations relating to their CALLS decision.¹⁰ Accordingly, we extend the election deadline for all price cap LECs for 45 days from July 31, 2000. This will maintain uniformity among price cap LECs and avoid any administrative burdens or difficulties resulting from managing different election deadlines or additional requests for extensions. We believe that this short period of time is sufficient for price cap LECs to complete their evaluations, and that proceeding in this manner is in the public interest.

8. We note that Citizens' request for an extension of the election deadline differs from U S West Communications Inc.'s (U S WEST) recent request for an indefinite stay of the election deadline.¹¹ In its petition, Citizens seeks a short extension of the election deadline in order to complete its own evaluation whether to continue under CALLS or opt for the alternative forward-looking, cost-of-service-based regulatory plan. U S WEST, on the other hand, petitioned the Commission for an open-ended partial stay of the *CALLS Order*. In its petition, U S WEST asked the Commission to stay the July 31 deadline for choosing between the two access charge rate level constraint options until 60 days after the Commission issued a further order giving greater detail to the cost-study option. The Commission denied U S WEST's petition on the basis that it lacked merit.¹² The Commission held that U S WEST has no entitlement to complete information about the alternative cost-based regime to which it would be subject if it were to opt out of CALLS, and that granting U S West's request would require the Commission to devote its scarce administrative resources in advance of developing detailed standards for an alternative regime that no carrier may ultimately choose and that might therefore never need to be implemented. The Commission was also concerned that U S West's open-ended stay request could threaten the industry consensus embodied in the CALLS Proposal.

⁷ The *CALLS Order* was adopted and released on May 31, 2000. Price cap LEC annual access tariffs were due on June 16, 2000 to be effective on July 1, 2000.

⁸ See 2000 Annual Access Tariff Filings, CC Docket No. 00-122, Memorandum Opinion and Order, DA 00-1487 (Comp. Pric. Div., rel. June 30, 2000).

⁹ 2000 Annual Access Tariff Filings, CC Docket No. 00-122, Order, DA 00-1668 (Comp. Pric. Div., rel. July 26, 2000)

¹⁰ See Qwest Corporation Request for Extension of Time, CC Docket Nos. 96-262, 94-1, 99-249, and 96-45, filed July 27, 2000.

¹¹ See U S WEST Communications, Inc. Petition for Partial Stay, CC Docket Nos. 96-262, 94-1, 99-249, and 96-45, filed June 27, 2000.

¹² See Access Charge Reform, CC Docket No. 96-262, Order, FCC 00-249 (rel. July 14, 2000). See also *Texas Office of Public Utilities Counsel, et al. v. FCC*, No. 00-60434 (and consolidated cases) (5th Cir. Rel. July 21, 2000) (denying U S West's request for stay).

9. Accordingly, each price cap LEC must make its election between the two access charge rate constraint options outlined in the *CALLS Order* no later than September 14, 2000. Price cap LECs must make their election by submitting a letter to the Secretary, Federal Communications Commission, 445 12th Street, SW, Fifth Floor, Washington, D.C. 20554. Price cap LECs should also submit a copy of their election to the Chief of the Common Carrier Bureau. Carriers that wish to elect the alternative, forward-looking cost-based regulatory plan must notify the Commission in the affirmative. Price cap LECs that fail to notify the Commission by September 14, 2000 will be deemed to have elected to have their rate levels for interstate access charges determined in accordance with the specific terms of the *CALLS Proposal*, as approved by the Commission.

III. ORDERING CLAUSE

10. Accordingly, IT IS ORDERED that pursuant to section 4(i) of the Communications Act of 1934, as amended 47 U.S.C. section 154(i) and through authority delegated pursuant to sections 0.91 and 0.291 of the Commission's Rules, 47 C.F.R. §§ 0.91 and 0.291, Citizens Communications Company's request for an extension is GRANTED for a period of 45 days from July 31, 2000.

11. IT IS FURTHER ORDERED that pursuant to section 4(i) of the Communications Act of 1934, as amended 47 U.S.C. section 154(i) and through authority delegated pursuant to sections 0.91 and 0.291 of the Commission's Rules, 47 C.F.R. §§ 0.91 and 0.291, the deadline for election between the two access charge rate constraint options outlined in the *CALLS Order* is extended for all price cap LECs until September 14, 2000.

FEDERAL COMMUNICATIONS COMMISSION

Yog R. Varma
Deputy Chief
Common Carrier Bureau